



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0285**

**MARK A. EMKES
COMMISSIONER**

FOR IMMEDIATE RELEASE
THURSDAY, FEBRUARY 10, 2011

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JANUARY REVENUES

NASHVILLE – Tennessee tax collections continued an upward trend in January, reflecting December consumer spending, including the holiday buying season. Department of Finance and Administration Commissioner Mark Emkes today announced that overall January revenues were \$997.3 million, which is \$38.2 million more than the state budgeted. It's the sixth month of positive growth this fiscal year, with sales and corporate tax collections once again contributing heavily to the growth.

"January is the tenth consecutive month in which sales taxes have recorded positive growth," Emkes said. "Holiday sales brought positive growth across the state and the nation, and although it's modest growth, it leads us to believe Tennessee is slowly recovering from the worst recession on record."

"Going forward, we'll monitor state spending and work closely with the legislature in order to end the fiscal year with a balanced budget as required by the state's constitution."

On an accrual basis, January is the sixth month in the 2010-2011 fiscal year.

The general fund was over collected by \$36.6 million and the four other funds were over collected by \$1.6 million.

Sales tax collections were \$20.1 million more than the estimate for January. The January growth rate was positive 4.33%. For six months revenues are over collected by \$76.6 million. The year-to-date growth rate for six months was positive 3.87 %.

Franchise and excise taxes combined were \$19.0 million above the budgeted estimate of \$141.2 million. For six months revenues are over collected by \$56.7 million.

Gasoline and motor fuel collections for January increased by 4.57 % but were \$184,000 below the budgeted estimate of \$70.2 million. For six months revenues are over collected by \$10.8 million.

Tobacco tax collections were \$3.3 million below the budgeted estimate of \$22.2 million, and for six months they are \$1.8 million under the budgeted estimate.

Inheritance and estate taxes were over collected by \$328,000 for the month. Year to date collections for six months are \$11.5 million more than the budgeted estimate.

All other taxes were over collected by a net of \$2.3 million.

Year-to-date collections for six months were \$137 million more than the budgeted estimate. The general fund was over collected by \$114.9 million and the four other funds were over collected by \$22.1 million.

The budgeted revenue estimates for 2010-2011 are based on the State Funding Board's consensus recommendation of April 7, 2010 and adopted by the second session of the 106th General Assembly in June. They are available on the state's website at <http://www.tn.gov/finance/bud/budget.html>.

REVENUE COLLECTIONS
JANUARY, 2011, AND 6 MONTHS YEAR-TO-DATE

January Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$803,626,000	\$840,178,000	\$36,552,000
Highway Fund	53,670,000	54,049,000	379,000
Sinking Fund	31,604,000	31,758,000	154,000
City & County Fund	68,228,000	69,303,000	1,075,000
Earmarked Fund	2,050,000	2,049,000	(1,000)
Total	\$959,178,000	\$997,337,000	\$38,159,000

Year-To-Date Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$3,993,856,000	\$4,108,779,000	\$114,923,000
Highway Fund	319,154,000	321,472,000	2,318,000
Sinking Fund	184,995,000	185,590,000	595,000
City & County Fund	370,200,000	389,399,000	19,199,000
Earmarked Fund	12,301,000	12,300,000	(1,000)
Total	\$4,880,506,000	\$5,017,540,000	\$137,034,000

Table 1
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	January			
	2010	2011	Change	Percent
Franchise & Excise	\$139,773,000	\$160,161,000	\$20,388,000	14.59%
Income	3,003,000	3,166,000	163,000	5.43%
Inheritance & Estate	6,563,000	4,608,000	(1,955,000)	-29.79%
Gasoline	47,139,000	49,798,000	2,659,000	5.64%
Petroleum Special	4,914,000	5,133,000	219,000	4.46%
Tobacco	22,351,000	18,915,000	(3,436,000)	-15.37%
Beer	1,451,000	2,631,000	1,180,000	81.32%
Motor Vehicle Registration	16,906,000	17,998,000	1,092,000	6.46%
Motor Vehicle Title	685,000	808,000	123,000	17.96%
Mixed Drink	4,858,000	5,157,000	299,000	6.15%
Business	1,418,000	2,042,000	624,000	44.01%
Privilege	17,760,000	18,459,000	699,000	3.94%
Gross Receipts	314,000	71,000	-243,000	-77.39%
TVA - In Lieu of Tax Payments	26,498,000	26,095,000	(403,000)	-1.52%
Alcoholic Beverage	5,642,000	6,196,000	554,000	9.82%
Sales and Use	633,435,000	660,884,000	27,449,000	4.33%
Motor Vehicle Fuel	14,925,000	15,111,000	186,000	1.25%
Severance	144,000	172,000	28,000	19.44%
Coin-operated Amusement	20,000	0	(20,000)	-100.00%
Unauthorized Substance	(412,000)	(68,000)	344,000	NA
Total	\$947,387,000	\$997,337,000	\$49,950,000	5.27%

Table 2
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	August - January			
	2009-2010	2010-2011	Change	Percent
Franchise & Excise	\$573,416,000	\$639,751,000	\$66,335,000	11.57%
Income	10,511,000	14,248,000	3,737,000	35.55%
Inheritance & Estate	37,030,000	46,994,000	9,964,000	26.91%
Gasoline	303,565,000	317,195,000	13,630,000	4.49%
Petroleum Special	31,099,000	32,114,000	1,015,000	3.26%
Tobacco	148,672,000	144,524,000	(4,148,000)	-2.79%
Beer	8,513,000	9,804,000	1,291,000	15.17%
Motor Vehicle Registration	105,062,000	106,847,000	1,785,000	1.70%
Motor Vehicle Title	4,872,000	5,155,000	283,000	5.81%
Mixed Drink	27,141,000	27,843,000	702,000	2.59%
Business	10,603,000	37,462,000	26,859,000	253.32%
Privilege	95,526,000	93,719,000	(1,807,000)	-1.89%
Gross Receipts	13,859,000	9,348,000	(4,511,000)	-32.55%
TVA - In Lieu of Tax Payments	158,920,000	164,554,000	5,634,000	3.55%
Alcoholic Beverage	24,111,000	24,816,000	705,000	2.92%
Sales and Use	3,141,693,000	3,263,128,000	121,435,000	3.87%
Motor Vehicle Fuel	74,195,000	79,073,000	4,878,000	6.57%
Severance	1,130,000	1,304,000	174,000	15.40%
Coin-operated Amusement	64,000	88,000	24,000	37.50%
Unauthorized Substance	(1,684,000)	(427,000)	1,257,000	NA
Total	\$4,768,298,000	\$5,017,540,000	\$249,242,000	5.23%

Table 3
August - January Revenue Overcollections/(Undercollections)
Budgeted Estimate

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Sales Tax	\$ 76,800,000	\$ (200,000)	\$ 76,600,000
Income Tax	1,900,000	1,000,000	2,900,000
Inheritance Tax	11,500,000	0	11,500,000
Privilege Tax	(10,100,000)	0	(10,100,000)
Business Tax	(29,200,000)	0	(29,200,000)
TVA	13,000,000	10,000,000	23,000,000
Gross Receipts	(4,200,000)	0	(4,200,000)
Gasoline & Motor Fuel Taxes	500,000	10,300,000	10,800,000
Motor Vehicle Registration	(400,000)	600,000	200,000
Other Taxes	(1,600,000)	400,000	(1,200,000)
Tobacco	(1,800,000)	0	(1,800,000)
Beer	600,000	300,000	900,000
Motor Vehicle Title	0	100,000	100,000
Mixed Drink	100,000	(100,000)	0
Alcoholic Beverage	100,000	0	100,000
Severence	100,000	100,000	200,000
Coin Operated Amusement	0	0	0
Unauthorized Substance	(700,000)	0	(700,000)
Sub-Total	\$ 58,200,000	\$ 22,100,000	\$ 80,300,000
F & E Taxes	56,700,000	0	56,700,000
Total	\$ 114,900,000	\$ 22,100,000	\$ 137,000,000